

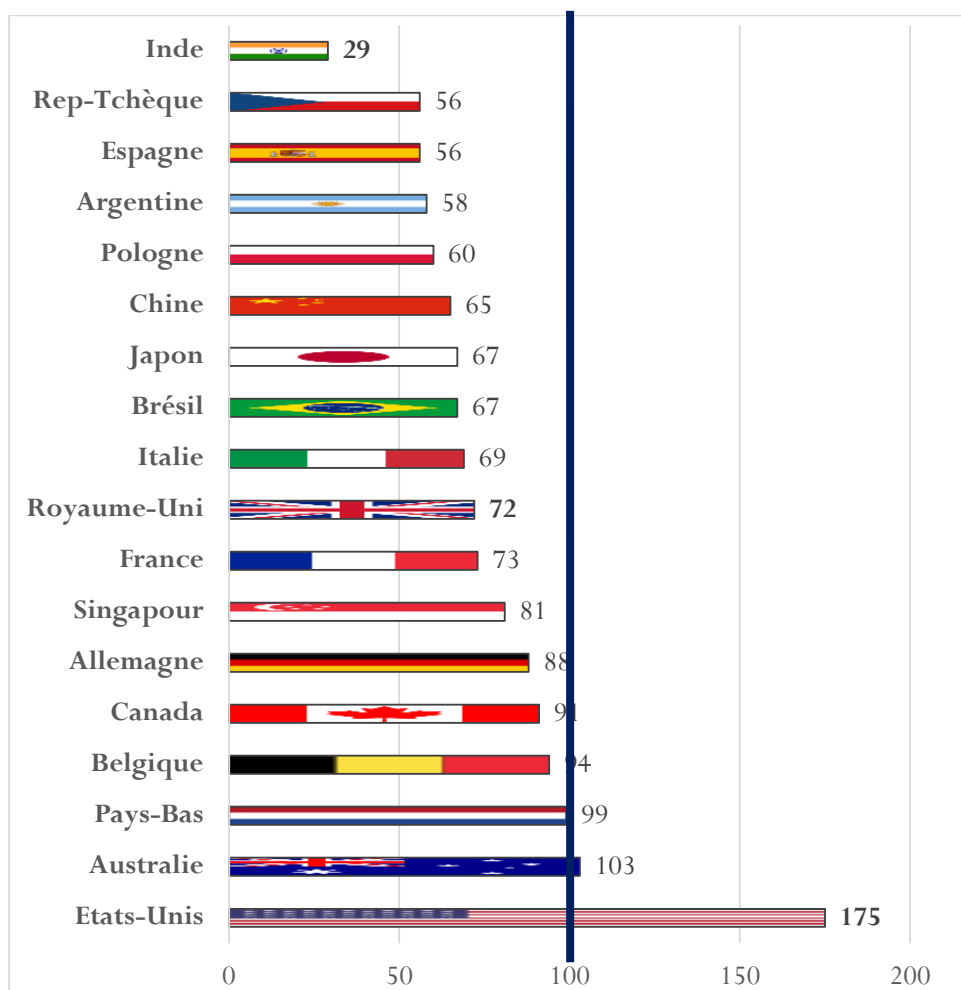
March 2025

From 2011 to 2024, the French researcher rate slipped down the panel’s global ranking.

This worrying shift has a negative impact on the competitiveness of R&D. In today’s climate of intense international competition, innovation is a key differentiator. Successive cuts in research tax credit are significantly reducing the competitive advantage of French research.

The graph below shows the 2024 researcher rate index based on 2023 cost statistics. The indices take into account the impact of support systems affecting the pay costs of industrial R&D in the countries where staff are located. The rates are those reported by the ANRT CIR Panel, i.e. companies established in France that benefit from CIR and have R&D teams in other countries.

Graph 1. 2024 researcher rates (2023 data)



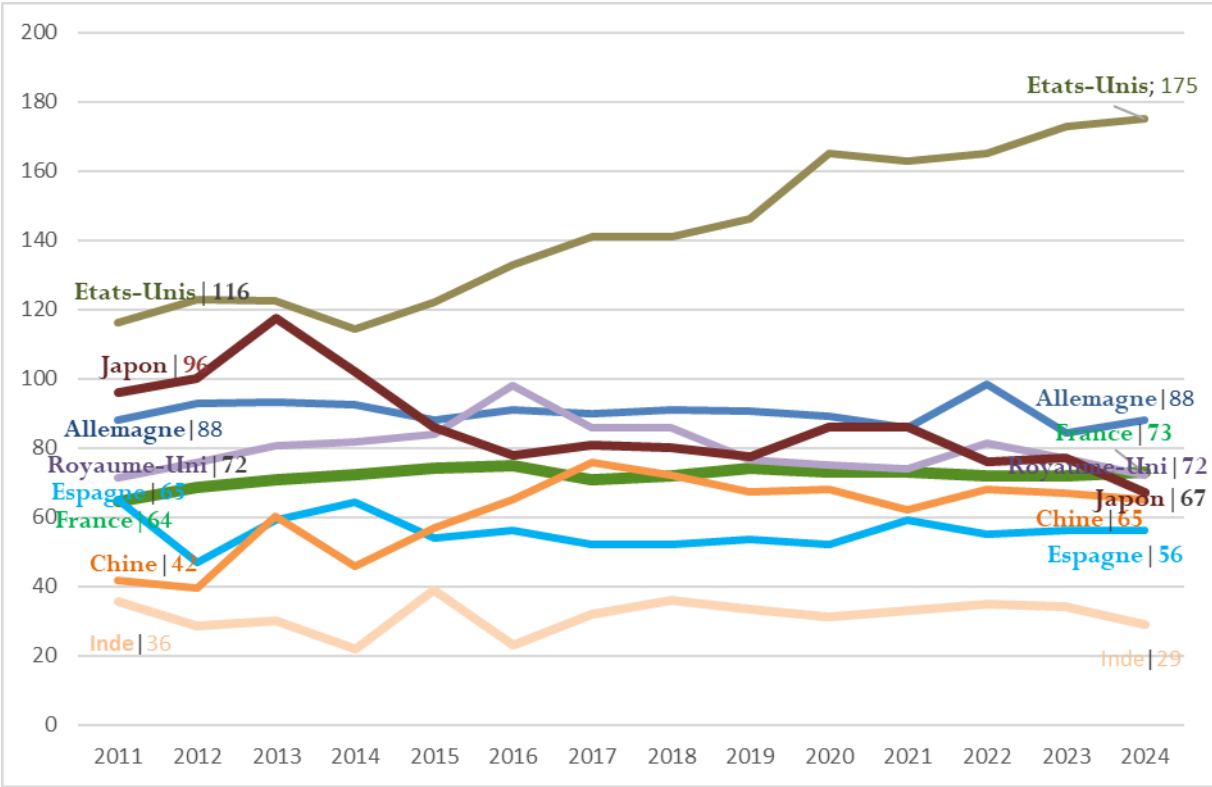
|100 = Coût France sans CIR ni subventions|

With a rate of 73 in 2024, France ranks 11th in our sample of countries from the ANRT CIR Panel. R&D-intensive companies based in France are so eager to access the US market via the presence of local researchers, that they are ready to pay 2.4 times more than in France to carry out their research across the Atlantic (175 in the USA vs 73 in France). At the other end of our sample, undertaking research in India costs on average 2.5 times less than it does in France (29 vs 73 in France).

In Europe, the Czech Republic, Poland, Spain and Italy offer more attractive cost conditions than France to carry out R&D, while Germany, Belgium and the Netherlands are more expensive. The biggest differences to the benefit or detriment of France are situated between 16 and 17 percentage points.

The graph below shows the change in the researcher rate index from 2011 to 2024 (based on cost statistics for 2023). The index takes into account the impact of support systems affecting the pay costs of industrial R&D in the countries where staff are located.

Graph 2. Evolution of researcher rates for a group of countries from 2011-2024: convergence towards the French rate



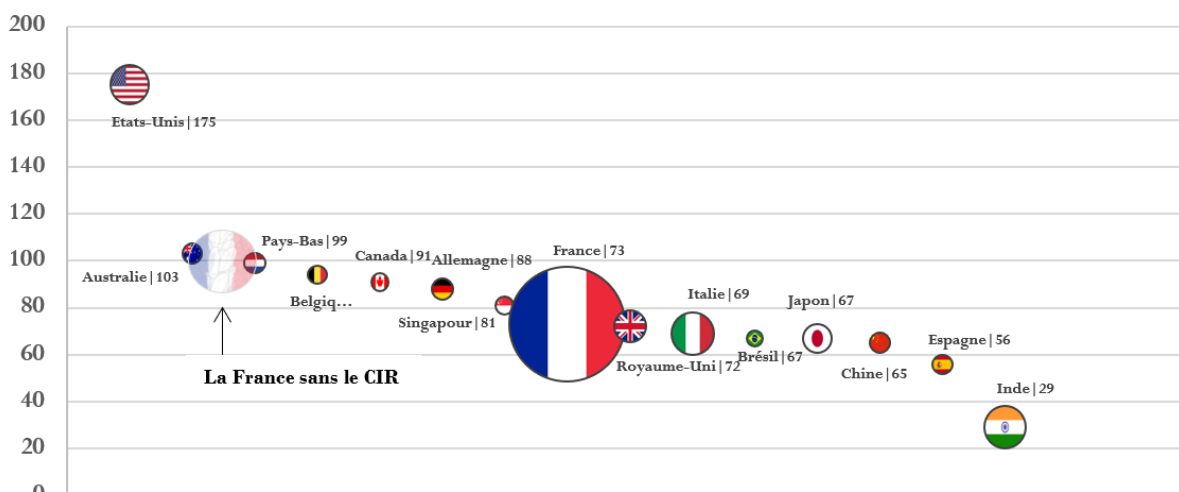
France was the third most attractive country in this group of eight in 2011, with a rate of 64, after which its situation deteriorated to reach a rate almost 10 points higher in 2024.

This drop in French R&D competitiveness stems from a series of changes made to CIR initiated by the national legislator, but also results from decisions made by other countries. A case in point is the United Kingdom, which has been boosting its *R&D tax relief* for a number of years: although only slim at present (72 against 73 for France), the distance between the UK and France is set to widen next year, all things being equal elsewhere. Similarly for Spain, which continuously implements initiatives: an innovation tax credit, a research tax credit, and creative regional support packages that have proved particularly effective. As a result, its rate went down from 68 in 2011 to 56 in 2024.

Without CIR, France would have come out as the second most expensive country in this group (index of 100), after the United States (index of 175).

The graph below associates the researcher rate with the location of staff from the panel countries. The size of each flag is proportional to the number of R&D staff from the panel companies in the countries where R&D is located. The position on the y-axis shows the cost of researchers expressed in the form of an index; the 100 mark is the average cost of a French researcher with no tax credit or subsidies.

Graph 3. Location of R&D staff from companies in the panel and researcher rate



Thanks to the fiscal efforts made by the state with CIR since 2007/2008, and despite adverse developments, in 2024 France maintained its place as the top R&D site for companies on the panel; over half of their employees are located in the country. In 2024, Australia became the second most expensive country in the world for carrying out R&D after the United States; it remains marginal in terms of staff location. And, for the first time, the United Kingdom offers better cost conditions for researchers than France. Legislative developments in France will see this difference continue to widen to the country's detriment vis-à-vis the United Kingdom, as well as Italy and Spain, which are following a reverse trend. The relative weight of Italy (i.e. its attractiveness measured in R&D staff numbers), has in fact grown over time, maintaining the country's competitive advantage.

Table 1. Evolution of panel country rankings from 2011 to 2024

Country	2011 rate	Rank	Evolution	Country	2024 rate	Rank
India	36	1	→	India	29	1
China	42	2	↘	Spain	56	2
France	64	3	↘	China	65	3
Spain	65	4	↗	Japan	67	4
United Kingdom	72	5	↘	Italy	69	5
Italy	80	6	↗	United Kingdom	72	6
Belgium	82	7	↘	France	73	7
Netherlands	86	8	↘	Germany	88	8
Germany	88	9	↗	Canada	91	9
Japan	96	10	↗	Belgium	94	10
Canada	98	11	↗	Netherlands	99	11

United States	116	12	→	United States	175	12
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France, which came in at third place thanks to its competitive CIR in 2011, has slipped to seventh place due to the combined impacts of internal developments and external evolutions (policies of other countries). The latest legislative changes point to an even worse situation in the future.

The 2025 French Finance Act (LFI) alters several CIR provisions, with an impact evaluated by the legislator amounting to a reduction of about 400 million euros a year.¹ The calculations that feature in this annual study only take into account the impacts of CIR on the cost of researchers' work.² Consequently, what follows only reflects the effects of the following two legislative changes: the reduction from 43% to 40% of operating costs related to staff expenditure, and the abolition of the "dispositif jeune docteur" (young doctor measure – DJD).

The decrease in operating costs will affect all companies equally; the termination of the DJD will have an unequal impact on companies, and make a significant² difference for some of the R&D-intensive companies that make up the ANRT panel.

These two changes (reduction in operating costs and termination of the DJD) will translate into higher costs for companies on the panel, which according to our estimations could amount to 2 to 3 points. The result will be that from 2025, France will move further away from the "India – United Kingdom" group and closer to the "Germany – United States" group. The pressure to redistribute staff will increase.

Beyond the "researcher rate",³ for some companies operating in sectors where patents are crucial (e.g. health-pharma, ICT), the impact that stopping the DJD will have on patents will be a key factor in reducing their CIR, and even the main cause for its decrease.

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¹ 400 million euros represents a decrease of just over 5% in the 7.5 billion CIR tax credit.

² Thus, for one panel company in the steelmaking sector, the termination of the DJD represents two-thirds of the anticipated drop in its CIR in 2025.

³ The "researcher rate" only takes into account the impacts of CIR on the cost of a researcher's work, and therefore not the impacts related to patents.

Methodology

International groups have good reasons to see France as an advantageous host country for their research investments. The quality of research and the proximity to key markets, coupled with the favourable costs of researchers and research, for internal proposals of similar quality, influence decisions to opt for a particular site for the company's Research and in particular its Development.

Sixteen international groups, members of ANRT (National Association for Research and Technology) that carry out part of their research in France, this year accepted once again to calculate and communicate to ANRT the comparative cost price of their researchers (including direct aid and tax credit) in the countries where they invest in research.

These groups invest over 14 billion euros in research & development in the world; this year more than **65,000 researchers were included** in this comparison, with a wide variety of areas of application.

They have R&D teams in over 30 countries and yet on average over half of their employees are based in France! And the reason is not just habit or patriotism. The simple explanation comes down to one word: competitiveness (cost and non-cost).



Accessing the accounts of large companies allows us to evaluate the real situation, taking all benefits and charges into account. The accounting and tax systems of multinational groups have to be solid and consistent; management control and business intelligence use them to extract decision-making data. This information is therefore highly sensitive: it reflects the strategy of both companies and governments through subsidy systems targeting specific sectors, locations, and the geography of intellectual property registrations in a country.

Researchers

This study only considers company researchers. These are employees whose job is research and development and who contributed to at least one research project during the period covered.

Methodical approach relying on internal consistency

To carry out this study, ANRT took the average cost of a researcher in France before subsidies and research tax credit (CIR) (base 100), then aggregated the accounting data of each group to produce the researcher rate by country.

The average researcher costs for a given country are only presented providing two conditions are met:

- the ANRT panel disposes of at least two averages of costs charged from two different companies;
- the number of staff at the research centres considered amounts to more than 20.

The combination of the accounting lines used by each of these produces harmonised information and does so without ignoring the differences in accounting organisation between groups. Information is thus standardised at group level. International differences are therefore highly representative.

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